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(Classified)  
*Under review*

THE SECRETARY OF DEFENSE  
WASHINGTON

17 APR 1963

*Taken from 1st  
time and reading  
dtd 4/20. 21/63 - John S*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Could the Defense Budget Be Cut to \$43 Billion Without  
Weakening the Security of the United States? (U)

The statement has been made that the Defense budget could be cut back to the level of the last Eisenhower budget (\$43 billion, including MAP, for FY 1962) without in any way weakening the security of the United States. It is difficult to see how this could be true in view of the many critical deficiencies and vulnerabilities present in our defense posture in 1960 and 1961. To remedy these many inadequacies, it has been necessary to make substantial increases in the level of the Defense budget. To take what is doubtless the most striking example of our military weakness at that time, if we had continued our forces and readiness at the 1960-1961 level, we would not have had enough forces to carry out a successful invasion of Cuba if that should have proved necessary in the missile crisis of October 1962. A more detailed explanation of this startling fact is provided below.

Strategic Retaliatory Forces

In January 1961, our Strategic Retaliatory Forces were almost entirely soft-based, concentrated, and highly vulnerable to a surprise missile attack. Our 1,500 SAC bombers stood on about 60 bases, and only a third were on alert. This meant that an attack by a relatively small number of missiles could have caught two-thirds, and, because of inadequacies in our warning system, perhaps more of our bombers on the ground. With the growing Soviet missile threat, this was potentially an extremely dangerous situation, even though, as it turned out, the Russians were not building ICBM's faster than we were. The key problem was vulnerability.

To remedy this, in the first half of 1961, the SAC alert was permanently increased from one-third to one-half of the force, or a 50 per cent increase in the Alert Force.

a/ This memorandum can be declassified if the  
parenthetical statements on pages 2 and 5  
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The Polaris program was speeded up. The original FY 1962 budget provided for only 5 Polaris submarines, as had the FY 1961 budget, despite the urgent need for such protected nuclear firepower. In early 1961, this Administration doubled the number of Polaris submarines in the 1961 and 1962 budgets, from a total of 10 to a total of 20. About \$1.2 billion was added to these budgets for construction of the boats alone. As a consequence, the 19th submarine will be ready a year earlier than it would have been under the old schedule. The 29th submarine will be ready over two years earlier than would otherwise have been the case. The FY 1962, 1963, and 1964 budgets include a total of over \$5.5 billion for development and procurement of the Polaris system.

The Minuteman program was accelerated so that 600 instead of 450 hard and dispersed missiles would be operational by the summer of 1964. Production capacity was doubled as a hedge against future uncertainty. The FY 1964 budget alone contains over \$2 billion for development and procurement of Minuteman. By the summer of 1966, when the effects of the 1964 procurement are fully felt, there will be 950 Minuteman missiles operational.

As a consequence of these and other actions, the number of weapons in our Strategic Retaliatory Forces protected from surprise attack by alertness, hardening or mobility and concealment has more than doubled from the 1961 level. By the summer of 1965, it will be about three times the 1961 level.

All this has been accompanied by many other actions to increase the survival potential of our posture, including airborne command posts and dispersal of the control of our air defense system.

#### Army Strength and Readiness

In January 1961, the U.S. Army had 14 divisions of which only 11 were combat-ready. Of the latter, 2 were armored and 3 were infantry divisions in Europe, 3 were infantry divisions in the Pacific, and 2 were airborne and 1 infantry in the Continental United States. If we had continued our forces at that level, we would not have had enough forces to meet the minimum requirements stated by the Joint Chiefs of Staff to carry out a successful invasion of Cuba, if that should have proved necessary in the missile crisis of October 1962. The forces would not have been adequate even if we had put every available combat-ready unit not committed to an overseas theatre into the operation, leaving no reserve for other contingencies. (The October 1962 plan for invasion of Cuba called for one and a half Marine Divisions and four Army divisions, not counting forces to be held in reserve as insurance or for other contingencies. Because, by October 1962 we had more than that number of Army divisions combat-ready, it is fair to conclude that this capabilities plan accurately reflected requirements. However, as indicated above, there were only three combat-ready Army divisions in the Continental United States in early 1961.\*)

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The situation would have been essentially the same in the case of a Chinese Communist invasion of South East Asia. In both cases, but particularly the latter, the shortage of air and amphibious lift would have been a seriously limiting factor.

Equally important is the fact that commitment to such an action would have meant stripping ourselves of all available ready forces, leaving none as a reserve for other threats. Thus, all the Communists would have had to do to prevent us from taking effective action in one theatre or crisis would have been to start a minor diversion in another.

Now we have 16 combat-ready Army divisions of which 5 are in Europe, 3 are in the Pacific and 8 are in the Continental United States available as a powerful reserve for a wide range of contingencies. Furthermore, we have reduced by 60 per cent the time required for the six priority Reserve and National Guard divisions to achieve combat readiness once mobilized. Moreover, by mid-1964, the infantry divisions in Europe will be mechanized, making them much more effective for the type of combat to be expected in that theatre.

To do this it has been necessary to increase the size of the Army. The original FY 1962 budget called for an 870,000 man Army at a military personnel cost of \$3.5 billion annually. By 1963, the Army had been increased to 960,000. The FY 1964 budget calls for a 975,000 man Army at a personnel cost of \$4 billion.

#### Army Equipment

The divisions we did have in January 1961 were so deficient in equipment that they would not have been able to fight longer than a few weeks before running out, and production of new equipment would not have been able to start nearly that quickly in the event of a war. This meant that the effectiveness of our Army was seriously degraded. The list of deficiencies at that time was long. A few examples will illustrate the problem. In January 1961, we had about two-thirds of the required number of armored personnel carriers, about 46 per cent of the self-propelled howitzers, and about 15 per cent of the recoilless rifles. In the fall of 1961, during the build-up in response to the Berlin crisis, we had to strip thousands of pieces of equipment including hundreds of trucks and trailers (required to carry ammunition and other vital supplies), as well as artillery pieces and radios from Active Army units in the U.S. in order to be able to send two division sets and ten non-divisional unit sets of equipment to Europe. In effect, in many critical lines of equipment, our inventories were bare. At the time of the Cuban missile crisis, we still did not have enough equipment for about 18,000 of the priority reserves that we would have had to mobilize if there had been an invasion.

Moreover, there were grave imbalances in the Army inventory. Alongside critical shortages, there were a number of items in excess supply. For example, we had three times the required number of 105mm cartridges, over twice the number of 81mm and 4.2 inch mortars, etc.

This unsatisfactory state of affairs was the consequences of years of inadequate funding and poor management. The FY 1961 budget for Army procurement was \$1.5 billion; the FY 1962 President Eisenhower proposed budget was \$1.8 billion. The FY 1962 Kennedy budget was \$2.5 billion; the FY 1964 Kennedy budget is \$3.2 billion for Army procurement. As a consequence of these increases and improved management, the FY 1964 procurement will give the whole Army (16 combat-ready divisions) a complete set of equipment and will enable the 16 divisions to fight continuously until there has been time for the supply of each item to be met from current production. Moreover, it will provide full sets of initial equipment for the six priority Reserve and Guard Divisions.

#### Air Force Tactical Aircraft

In 1961, the Air Force had 16 wings of fighter-bombers, (about 1,200 aircraft) over 75 per cent of which were F-100's. The F-100 first flew in 1955 and is barely supersonic when carrying no ordnance. It has no all-weather capability. Only about 10 per cent of the force was composed of Mach 2 all-weather fighters. Nevertheless, the Eisenhower FY 1962 budget included only 192 F-105 fighter-bombers at a cost of approximately \$370 million. It made no provision for modern tactical reconnaissance aircraft.

Under this Administration, the force structure has been increased from 16 to 21 tactical wings and the rate of modernization has been speeded up drastically. About 70 more fighter-bombers were added to the 1962 procurement and the dollar outlay was increased to \$667 million. As a consequence of the various actions taken, we will have about 1,500 fighter-bombers in the force in 1963 and 1964, and by mid-1964, 40 per cent of the force will be Mach 2 all-weather aircraft.

The fiscal 1964 budget includes \$1,099 million for 472 Mach 2 all-weather fighter-bomber and tactical reconnaissance aircraft. This is about \$700 million more than the annual rate of procurement in the last Eisenhower budget, or 3 times as much. In mid-1966, when the full effects of the 1964 budget are felt, nearly three-fourths of the force will be of the most modern types.

#### Air Force Non-Nuclear Ordnance

In January 1961, the Air Force supplies of modern non-nuclear ordnance were dangerously inadequate. The Air Force had about a fourth of the required number of Sidewinder missiles. In air-to-ground weapons, it had nothing but Korean war vintage general purpose bombs and rockets most of which were not suitable for high performance aircraft because of their high drag configuration. This meant that, in effect, the Air Force would have been unable to provide any meaningful tactical air support for the Army in

the event of a non-nuclear limited war. Despite this, the Eisenhower budget for FY 1961 included only \$41 million for Air Force ordnance; the 1962 budget had only \$63 million.

The present Administration increased the FY 1962 procurement to about \$240 million. The FY 1964 budget includes \$374 million for Air Force ordnance, a nearly six-fold increase over the original FY 1962 budget. As a consequence, when the FY 1964 procurement is completed by mid-1965, the Air Force will have a large and balanced supply (\*about 90 days) for its expanded and modernized force. Put alternatively, by that time, the Air Force will have over four times the modern non-nuclear ordnance it would have had if the Eisenhower proposed FY 1962 level had been continued through FY 1964.

#### Airlift

In January 1961 our airlift was so inadequate that it would have taken nearly two months to airlift one infantry division and its equipment to South East Asia. The airlift force was largely composed of obsolescent aircraft designed for civilian passenger transportation; only about a third of the aircraft could be said to be modern cargo aircraft designed to perform the military airlift mission. Yet the Eisenhower budget for FY 1962 proposed to buy only 42 new airlift aircraft, and proposed an Airlift Modernization appropriation of \$157 million for FY 1962.

To remedy this, it has been necessary to more than triple the annual amount of Airlift procurement. The revised Kennedy budget of FY 1962 programmed a total of \$380 million for Airlift Modernization. The FY 1964 budget includes \$643 million for procurement of 159 military cargo aircraft, about \$480 million more than the proposed Eisenhower 1962 budget level, or four times as much.

Because of production lead times, it will take some time for the effects of this added procurement to be felt in actual capabilities. However, our mid-1963 airlift capacity is about 156 per cent our mid-1961 capacity. By mid-1964, it will be about 175 per cent of 1961. By mid-1966, when the full effects of the FY 1964 budget will be felt, our capacity will be more than two and one-half times that of mid-1961. A year later, we plan for it to be more than three and one-half times that amount.

#### Other Increases

Of course the above is only a partial explanation of the reasons for an increase in the Defense budget above the 1961 level. There are other reasons. For example, the FY 1964 budget exceeds the FY 1963 and earlier budgets by about \$1.5 billion because of increases in military pay and allowances, civilian pay, and retired pay, all of which were necessary to keep military and civil service pay scales reasonably competitive with those in private industry. Another major increase has been necessary for naval shipbuilding. In 1961 we entered a period 20 years after World War II during which over half of our existing fleet was built, and consequently

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a period during which a large part of the fleet requires replacement. The FY 1962 Eisenhower budget included only about \$1.2 billion for ship construction and modernization, exclusive of Polaris. The FY 1963 budget included \$2.2 billion and the FY 1964 budget included about \$1.6 billion for this purpose.

Summary

The many vulnerabilities and deficiencies in our forces in 1961 meant that we had the facade rather than the reality of military power. The U.S. had deterrent forces that risked inviting attack rather than deterring because of their extreme and unnecessary vulnerability. We had too few divisions, divisions without enough equipment, and troops and equipment without adequate airlift to move them. We had many fighter-bomber wings with obsolescent aircraft, and we had aircraft without non-nuclear bombs. We were spending about \$40 billion a year, but we were not getting even \$40 billion worth of defense because of the many imbalances and critical weaknesses in our posture. The \$53 billion (including MAP) in the FY 1964 President's budget is the minimum required to give us an adequate and balanced defense posture.

*Robert S. McNamara*

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